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BEFORE THE ARIZONA CORPORATION COMMISSION

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AZ CORP COMMISSION
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IN THE MATTER OF COMMUNITY WATER
COMPANY OF GREEN VALLEY –
IMPLEMENTATION OF BEST MANAGEMENT
PRACTICES TARIFFS REQUIREMENT.

DOCKET NO. W-02304A-10-0220

**MOTION TO ELIMINATE BMP
TARIFFS REQUIREMENT
UNDER A.R.S. § 40-252.**

ORIGINAL

Community Water Company of Green Valley (“CWCGV”) moves to eliminate the Best Management Practice (“BMP”) tariffs requirement ordered in Decision No. 71478 (February 3, 2010). Currently, CWCGV has five BMP tariffs in effect that the Commission approved in Decision No. 72489 (July 25, 2011). CWCGV makes this request under A.R.S. § 40-252. In support of its application, CWCGV provides the following information:

1. CWCGV is engaged in providing water service in Pima County, Arizona. It has been providing water service since the Commission approved its initial Certificate of Convenience and Necessity (“CCN”) in Decision No. 47912 (May 1, 1977). CWCGV serves approximately 13,000 customers – over 90 percent of whom are residential customers.

2. CWCGV is an Arizona non-profit member-owned cooperative. CWCGV’s member-customers own and control it. CWCGV also has a volunteer board of directors. CWCGV’s members directly elect its board. This is how the member-customers have direct control over CWCGV. CWCGV’s board and management also strive to keep its member-customers informed of any developments – including through newsletters and its annual meeting. The importance of water conservation and steps to conserve water are among the issues CWCGV informs its customers about.

3. In Decision No. 71478, the Commission ordered CWCGV to submit for Commission approval at least five BMP tariffs (as derived from the Arizona Department of Water

1 Resources (“ADWR”) Modified Non-Per Capita Conservation Program (“MNPCCP”). In
2 Decision No. 72489, the Commission approved the following five BMP tariffs for CWCGV:

3 2.1 – Adult Education.

4 2.3 – New Homeowner Landscape Information.

5 5.2 – Water System Tampering.

6 7.3 – Evaluation of New and Emerging Technologies and Practices.

7 7.6 – Development of Industry Partnerships.

8 4. CWCGV’s approved BMP tariffs exactly mirrored Staff’s BMP tariff templates that
9 were developed using the BMP descriptions outlined in the MNPCCP and relevant ADWR
10 documents. The approved tariffs were different than what CWCGV originally proposed, and some
11 of the requirements contained within the BMP tariff templates – particularly within BMP tariffs 7.3
12 and 7.6 – appear to have been in addition to what ADWR would require.

13 5. Water use from CWCGV and its customers remains relatively small compared to
14 the other users within the Upper Santa Cruz River aquifer that is the source for the Company’s
15 water. In fact, CWCGV’s customers’ water use in 2010 was estimated to be at about 2,700 acre
16 feet, and is among the lowest per-capita consumption within the Tucson Active Management Area.
17 CWCGV management continues to focus on reductions in outside water use and system
18 improvements that have economic benefit to its customers.

19 6. The Commission recently, in appropriate circumstances, has not required additional
20 BMP tariffs when a water utility is in compliance with the ADWR requirements. An example is
21 Pima Utility Company in Decision No. 73573 (November 21, 2012). There, the Commission did
22 not require additional BMP tariffs because Pima Utility Company had a “fully functioning water
23 conservation program that includes five BMPs and a customer education program as mandated by
24 ADWR.”¹ The Commission in Decision No. 73573 also noted that Pima Utilities Company is
25 located within the Phoenix Active Management Area with groundwater protection laws already in
26 place and enforced by ADWR. More recently, the Commission did not require additional BMP

27 ¹ See Decision No. 73573 at 37.

1 tariffs for New River Utility Company in Decision No. 74294 (January 29, 2014), because New
2 River was in ADWR's MNPCCP and within the Phoenix Active Management Area; thus, the
3 Commission found that additional BMP tariffs would have been duplicative regulation not in the
4 public interest.²

5 7. CWCGV participates in the ADWR MNPCCP. It also has a fully functioning water
6 conservation program that includes five ADWR BMPs, which are the following:

7 1.2 – Special events, programs and community presentations (setting up water
8 conservation information at local fairs and forums, distributing water
9 conservation brochures and holding discussions about conservation).

10 3.4 – Residential interior retrofit program (offering free retro-fit low flow shower
11 heads and faucet aerators, providing actual hardware and instruction to reduce
12 water consumption).

13 3.6 – Customer high-water use inquiry resolution (conducting water audit on request
14 or if meter reading indicates higher than normal consumption).

15 3.7 – Customer high-water use notification (alarming customer of higher than
16 normal consumption, using data-logger to pinpoint usage and timeframe,
17 notifying customer by door hangar, phone, or personal visit, and alerting
18 customer to possible problems with plumbing).

19 4.2 – Meter repair and replacement program (regularly scheduling meter exchange
20 per manufacturer specifications to ensure accurate measurements of water
21 usage).

22 Further, CWCGV is located within the Tucson Active Management Area and is subject to
23 state groundwater protection laws as enforced by ADWR. CWCGV believes ADWR is the
24 primary agency to address groundwater protection within the Tucson Active Management Area.

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² See Decision No. 74294 at 65.

1 8. CWCGV also remains an active member of the Water Conservation Alliance of
2 Southern Arizona ("WaterCASA"). WaterCASA is a partnership of private water utilities,
3 irrigation and domestic water improvement districts, Central Arizona Groundwater Replenishment
4 District ("CAGRDR"), cities and towns, and Pima County. WaterCASA remains involved in many
5 activities to promote the conservation of water – including member services (distribution of
6 conservation devices, welcome packets, demonstration gardens and providing auditing services),
7 public policy advocacy, research and education. This is essentially an industry partnership still
8 directly relevant to CWCGV's water conservation efforts and ensuring preservation of its water
9 supply.

10 9. Regarding BMP tariffs 2.1, 2.3 and 5.2 – CWCGV had been conducting similar
11 practices to those expressed in the BMP tariffs, before the Commission approved the tariffs.
12 CWCGV will continue to conduct these practices, but believes that the additional requirements
13 contained within the BMP tariffs are unnecessary and could result in increased costs. Further,
14 CWCGV believes the additional requirements contained in the BMP tariffs provide no substantial
15 benefit towards achieving water conservation goals.

16 10. Regarding BMP tariffs 7.3 and 7.6, those have imposed increased costs to CWCGV.
17 These tariffs will likely result in significant additional costs if they remain in effect, including
18 monitoring and reporting costs. Further, CWCGV believes that the costs will significantly
19 outweigh any benefits gained. For instance, regarding BMP tariff 7.3, CWCGV does not believe
20 any funding of additional research activities, as set forth in the tariff, would guarantee more
21 efficient use of water, more conservation or improved water service to its customers. BMP 7.6
22 requires CWCGV to solicit additional partnerships, when it already maintains effective
23 partnerships directly related to its water utility business. WaterCASA, for example, is still an
24 effective and relevant partnership consisting of a diverse membership representing multiple
25 perspectives. In short, the requirements within both tariffs will continue to be burdensome, if they
26 are not eliminated. And in CWCGV's view, neither tariff will lead to significant improvement of
27 conservation efforts within the Upper Santa Cruz River aquifer.

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11. CWCGV does not believe it should have to replace these BMP tariffs with other BMP tariffs. This is because CWCGV will still have five BMPs approved by ADWR in effect. CWCGV will also maintain its active involvement in WaterCASA and continue its other conservation efforts. Thus, CWCGV believes the five ADWR BMPs plus CWCGV's robust conservation program and efforts are sufficient to advance water conservation goals.

12. For all of the reasons described in this Application, CWCGV believes its request is in the public interest. Further, CWCGV is in compliance with all Commission, ADWR and ADEQ requirements.

WHEREFORE, CWCGV respectfully moves to amend Decision Nos. 71478 and 72489 under A.R.S. § 40-252, in order to eliminate CWCGV's BMP tariffs requirement.

RESPECTFULLY SUBMITTED this 13th day of June, 2014.

By


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